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Department of State

EXCISE

TELEGRAM

273

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 8/7/81
PORTIONS DENIED AS INDICATED

46 53
ACTION AF-05

INFO OCT-01 SS-20 EUR-12 NEA-08 E-02 INT-01 L-02 NSC-10

NSCE-00 INR-06 CIAE-00 NSAE-00 PRS-01 RSR-01 RSC-01

/070 W

130685

.R 301430Z JUN 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 6534
INFO: USINT ALGIERS
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY BONN
AMEMBASSY LONDON

C O N F I D E N T I A L TRIPOLI 1539

LIMDIS

SUBJ: POSTED PRICE NEGOTIATIONS

REF: TRIPOLI 1439

1. [redacted] B4

2. [redacted] B4

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TRIPOLI 1539, 6-3070

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[redacted] B4

3. [redacted] B4

4. [redacted] B4

5. [redacted] B4

6. COMMENT: PRESENT STATUS OF NEGOTIATIONS IS AMBIGUOUS. ON ONE HAND, MAGHRABI SEEMS TO HAVE REASSERTED HIS AUTHORITY AS LARG'S PRIME NEGOTIATOR. ON OTHER HAND, U/S QIBLAAWI TOLD VISITING [redacted] B6 PERSONAL FRIEND OF BOTH QIBLAASI AND WYNNE, THAT PRICE ISSUE COULD BE RESOLVED IF COMPANIES WOULD AGREE TO INCREASE OF 12 CENTS RETROACTIVE TO 1967 AND RISING BY ONE CENT PER YEAR TO 20 CENTS IN 1975. THIS APPEARS TO BE ADAPTATION

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OF FORMULA HE ALSO HAD SUGGESTED DIRECTLY [redacted] B4

7. AS NUMBER OF PRICE FORMULAS AND THOSE WHO PROFESS TO SPEAK FOR LARG PROLIFERATES, CREDIBILITY OF EACH DIMINISHES. IN ALL OF VARIOUS PROPOSALS, HOWEVER, THERE IS COMMON ELEMENT OF PRICE INCREASE OF MORE THAN 10 CENTS COMBINED WITH DEGREE OF RETROACTIVITY AND PROGRESSIVITY. ALSO, MAGHRABI HAS CONSTANTLY MAINTAINED POSITION SO EXTREME THAT HIS COMMITMENT TO NEGOTIATED SETTLEMENT IS QUESTIONABLE, WHILE PETROLEUM MINISTRY SPOKESMEN MABRUUK AND QIBLAAWI HAVE SHOWN CONSIDERABLE DEGREE OF FLEXIBILITY. THERE ARE AT LEAST TWO EXPLANATIONS OF LARG'S DIFFUSE APPROACH: A) LARG MAY BE PREPARED TO REACH AGREEMENT WITH COMPANIES THROUGH MINISTRY PETROLEUM AT FIGURE WHICH IS CLOSE TO BUT ABOVE TEN CENTS FOR 1970 WITH SOME RETROACTIVITY AND PROGRESSIVITY, AND B) THERE MAY BE DIVERGENCE OF VIEWS WITHIN LARG ALIGNING JALLUUD AND MINISTRY OF PETROLEUM IN OPPOSITION TO EXTREME POSITION TAKEN BY MAGHRABI SUPPORTED BY PRIMIN QADHAAF. WHICH, IF EITHER, OF THESE PROPOSITIONS IS VALID MAY BE REVEALED WHEN OCCIDENTAL MEETS WITH PRICE COMMITTEE LATER TODAY (JUNE 30), OR IN NEXT COMMITTEE MEETING WITH ESSO.
PALMER